



**Testimony
Betsy Gara
Executive Director
Connecticut Council of Small Towns
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The Connecticut Council of Small Towns (COST) appreciates the opportunity to comment on **concerns with HB-5604, AN ACT CONCERNING REGIONAL EFFICIENCIES.**

HB-5604 authorizes the Municipal Opportunities and Regional Efficiencies (MORE) Commission to develop a regionalization evaluation tool to measure and assess the performance of and efficiencies achieved by municipalities and boards of education and submit recommendations for municipal aid funding based on the criteria of such tool.

As Connecticut's small towns and cities continue to face challenging budget circumstances, many communities are pursuing efforts to achieve cost savings and improve efficiencies through regional collaboration and shared service agreements. Programs such as the Regional Performance Incentive Program and the Intertown Capital Equipment grant program have been successful in allowing towns to develop programs or purchase heavy equipment to achieve cost efficiencies.

We continue to be concerned, however, that regionalization does not necessarily translate into cost savings or greater efficiency. According to a study by economist Steve Lanza, Ph.D., editor of *The Connecticut Economy*, "Municipal consolidation or other service-sharing plans offer no silver bullet for the problem of costly, local public services."

Too often, legislation promoting regionalism is proposed without fully analyzing whether regionalizing certain programs or services makes sense from an economic and/or service delivery standpoint. Municipal service-sharing arrangements can be difficult, given differences in union contracts, community priorities, and geographic distance, etc., and may not always make sense.

Recognizing this, Massachusetts funds the development of feasibility studies and the evaluation of regionalizing services to allow municipalities to determine whether regionalization will result in cost savings and improved efficiencies. This is a critical step that has been lacking in Connecticut's approach to regionalization.

Unless it can be demonstrated through a thoughtful and comprehensive policy analysis that regionalization will provide significant benefits or savings, the state should refrain from tying



regionalization efforts to municipal aid funding. This will disrupt local budgets and impose a considerable strain on already overburdened property taxpayers.

This proposal is also premature and unnecessary. The state recently required municipalities to provide financial data for the Uniform Chart of Accounts (UCOA). UCOA was intended to provide lawmakers and state and local officials with comprehensive data in order to analyze municipal spending and identify opportunities for efficiencies.

COST is also concerned that this bill will impose certain reporting requirements on municipalities, which small towns can ill afford, given limited staff and strained local budgets.

COST urges lawmakers to reject HB-5604, as drafted.

COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. Its members are Connecticut towns with populations of less than 30,000. COST champions the major policy needs and concerns of Connecticut's suburban and rural towns.